

# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington 25, D.C.

FOR RELEASE November 29, 1957

## COLUMBIA HYDROCARBON FINANCING CLEARED

The Securities and Exchange Commission has issued a decision under the Holding Company Act granting an application filed by The Columbia Gas System, Inc., and Columbia Hydrocarbon Corporation with respect to the purchase by Columbia Gas at par of 114,000 shares of the \$25 par common stock of Hydrocarbon and up to \$2,850,000 aggregate principal amount of its 5.1% promissory notes.

Hydrocarbon proposes to purchase 160 acres of land on the Ohio River at Siloam, Kentucky, approximately 35 miles from the new extraction plant of United Fuel Gas Company (one of the system's major gas producing companies), at Kenova, West Virginia. On this site, Hydrocarbon will build a plant which will fractionate the liquid stream of hydrocarbons to be purchased from United Fuel into the several components -- natural gasoline, butane, and propane. Hydrocarbon will also construct a six-inch pipe-line to transport the liquid stream of hydrocarbons from Kenova to its fractionating plant, together with extensive storage facilities (some of which will be underground) to store the hydrocarbon products pending sale and shipment. The cost of the land and facilities to be constructed by Hydrocarbon, plus necessary working capital, is estimated at \$5,700,000, to be provided through the financing, above described.

Columbia Gas anticipates that, in addition to processing the natural gas for pipeline distribution, the effect of the joint program will be: (1) to obtain for United Fuel an advantageous market for the large quantities of its heavier hydrocarbons, (2) to eliminate the present uneconomic use of valuable natural resources, and (3) to obtain for Columbia Gas' investors an appropriate realization of the economic values contained in the natural gas resources involved.

The Commission concluded that the proposed transactions conformed to the applicable provisions of the Holding Company Act. (See Holding Company Act Release 13610)

## TRADING IN BELLANCA STOCK SUSPENDED

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, suspending trading on the American Stock Exchange in the \$1 par Capital Stock of Bellanca Corporation, New Castle, Delaware, for a further ten-day

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For further details, call ST. 3-7600, ext. 5526

period, December 1, 1957 to December 10, 1957, inclusive.

The action was based upon Bellanca's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14.

Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in Bellanca stock, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously ordered a hearing pursuant to Section 19(a)(2) of the Act on the question whether the Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. These proceedings are in progress. (See Securities Exchange Act Release Nos. 5500, 5544 and 5608.)

#### NORTH AMERICAN FINANCE FILES FOR STOCK OFFERING

North American Finance Company, Phoenix, Arizona, filed a registration statement (File 2-13766) with the SEC on November 27, 1957, seeking registration of 300,000 shares of Class B - Common non voting stock. The stock is to be offered for public sale at \$5 per share. The offering is to be made on a "best efforts" basis by Eugene M. Rosenson, president, and Marcus T. Baumann, vice president and treasurer, for which they will receive a selling commission of \$1.50 per share. Rosenson and Baumann have organized and have an active group of salesmen, and will pay such salesmen out of the \$1.50 commission.

Rosenson and Baumann are also listed as promoters of the company, which was organized in December, 1955. In addition to the selling commission, they will be entitled to receive stock without cost to them in the amount of 15% of the stock sold to the public, up to a maximum of 45,000 shares. Each has been granted a ten year option to purchase 25,000 shares of Class B stock at \$1 per share, exercisable after three years from September 14, 1956, plus a ten year option each to acquire an additional 25,000 Class B shares each at \$1 per share, exercisable after three years from the effective date of this registration statement.

Net proceeds to the company from this financing are estimated at \$1,050,000, which is to be used for additional capital to expand its business operations in its ordinary course of business. It is presently intended that all of these proceeds be loaned out in the usual course of business to the general public, but some of the proceeds may be used for expansion of the company by purchase of assets required for such purpose.

#### FIRST LEASEBACK CORP. FILES FOR STOCK OFFERING

The First Leaseback Corporation, Washington, D. C. filed a registration statement (File 2-13767) with the SEC on November 27, 1957, seeking registration of 500,000 shares of Class A common stock (non-voting), 5¢ par, to be offered

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for public sale at \$5 per share. The offering is to be made on a "best efforts" basis by Whitmore, Bruce and Company, also of Washington, for which it will receive a selling commission of 75¢ per share.

First Leaseback was organized on July 31, 1957, under laws of the District of Columbia, the primary purpose being to purchase, own and hold leaseback properties of investment quality. Net proceeds of this financing will be used to purchase properties of investment quality and to defray necessary operating costs, such purchases to be made in accordance with a "purchasing policy" established by the company. It expects to be able to invest in excess of \$2 million in such properties, according to the prospectus.

The founders and principal shareholders of the company are D. A. Donn Bruce and Ralph E. Whitmore, Jr., both of Washington. Bruce is listed as board chairman and treasurer and Whitmore as president; and of the 20,000 outstanding shares of Class A and 1,000 shares of outstanding Class B shares, Bruce owns 5,000 Class A and 499 Class B shares and Whitmore owns 5,000 Class A and 501 Class B shares. All of the 1,000 Class B shares and 13,000 of the Class A shares were issued to the founders in consideration for services rendered; and of the 13,000 Class A shares, 3,000 were sold by the founders for \$5,500. An additional 2,500 Class A shares each were issued to Charles H. Hillegeist and Harvey L. Jones as an inducement to them to serve as officers of the company, and 2,000 Class A shares to the law firm of Miller & Chevalier for services.

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Canada General Fund (1954) Limited, Toronto investment company, filed an amendment on November 27, 1957, to its registration statement (File 2-12127) seeking registration of an additional 1,000,000 shares of its common stock.

#### NATIONAL MORTGAGE DISCOUNT PROPOSES FINANCING

National Mortgage Discount Corporation, Waco, Texas, filed a registration statement (File 2-13768) with the SEC on November 27, 1957, seeking registration of 10,000 shares of Class A preferred stock and 5,000 shares of Class B preferred stock, each to be offered for public sale at \$100 per share. The offering is to be made on a "best efforts" basis by Proctor Elder Securities Company, Ltd., of Fort Worth, for which it is to receive a selling commission of \$15 per share.

National Mortgage was organized under Delaware law on May 27, 1957. It is engaged and plans to engage in the purchase, brokerage, and holding of first and second mortgage real estate loans, and the purchase, development and sale of real estate. According to the prospectus, some \$800,000 of the proceeds are to be invested in First Mortgage Real Estate Notes, \$200,000 in Second Mortgage Real Estate Notes, \$200,000 will be reserved for real estate development, and the balance for general corporate and other purposes, including expenses of this offering.

All of the 27,500 outstanding common shares of the company are held by J. A. Harp, president (8,250 shares); Jack D. Harp, vice-president (13,250 shares); and Tony E. Duty, secretary-treasurer (6,000 shares).

#### DALTON FINANCE FILED FOR DEBENTURE OFFERING

Dalton Finance, Inc., Mt. Rainier, Md., filed a registration statement (File 2-13770) with the SEC on November 27, 1957, seeking registration of \$500,000 of 7% Subordinated Ten Year Debentures, due January 2, 1968 (with warrants attached). The company proposes to offer the debentures for sale at \$100 per debenture. The offering is to be made on a best efforts basis by McDonald, Holman and Co., Inc., of New York, for which it will receive a selling commission of \$12.50 per \$100 debenture (plus \$25,000 for expenses).

Dalton is engaged in the business of making loans to individual borrowers under the small loan laws of the various states, as well as other forms of financing. It plans to use the proceeds of this offering to finance the making of additional loans and to reduce short-term debt. It now has outstanding approximately \$430,000 in loans from a factor and will reduce these loans to an as yet undetermined extent. The company will also seek opportunities for additional acquisitions which may seem profitable, according to the prospectus, and has presently organized a subsidiary in Virginia. Funds from this offering may be employed to commence operation of this company or for the acquisition of other companies doing business in Virginia, or other states.

#### SENTINEL SECURITY LIFE INSURANCE PROPOSES FINANCING

Sentinel Security Life Insurance Company, Salt Lake City, filed a registration statement (File 2-13771) with the SEC on November 27, 1957, seeking registration of 5,000 shares of its \$10 par Common Stock. The stock is to be offered for public sale by officers and directors of the company (no underwriting is involved). The public offering price is to be supplied by amendment. The company is engaged in the business of selling life insurance of various types. Net proceeds of this financing will be added to working capital in order to meet the capital and surplus reserve requirements for qualification as a stock life insurance company in states in which the company may elect to qualify to do business.

#### STUART HALL CO. PROPOSES DEBENTURE OFFERING

Stuart Hall Company, Inc., Kansas City, Mo., filed a registration statement (File 2-13769) with the SEC on November 27, 1957, seeking registration of \$650,000 of Twenty Year 6% Convertible Debentures, due December 15, 1957, to be offered for public sale in \$1,000 units at the principal amount thereof. The offering is to be made on a best efforts basis by White & Co., of St. Louis, for which it will receive a selling commission of \$125 per \$1,000 debenture.

The company sells five products, Boxed and Packaged Social Stationery, School Supplies, Packaged Envelopes, Writing Tablets, and Commercial Stationers' Supplies. Net proceeds of this financing, estimated at \$568,750, will be used as additional working capital for raw material and finished goods inventory and certain pieces of manufactured equipment to handle the school supply business. Some part of the proceeds may be applied to reduce bank borrowings.

**CONSOLIDATED CEMENT PROPOSES DEBENTURE OFFERING**

Consolidated Cement Corporation, Chicago, today filed a registration statement (File 2-13773) with the SEC seeking registration of \$5,000,000 of Sinking Fund Debentures due 1972, to be offered for public sale through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Beane. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Of the net proceeds \$4,000,000 will be used to retire outstanding term loan notes in that amount. The balance will be used principally to restore working capital funds previously expended on the expansion project at the company's new plant at Paulding, Ohio, where a program is under way to double this plant's capacity.

**BLACK, SIVALLS & BRYSON FILES FOR SHARES COVERED BY WARRANTS**

Black, Sivalls & Bryson, Inc., Kansas City, Mo., today filed a registration statement (File 2-13772) with the SEC seeking registration of 114,600 shares of its \$1 par Common Stock. Of this stock, 39,600 shares are issuable upon exercise of 39,600 warrants exercisable at \$22 per share on or before December 31, 1961. The remaining 75,000 shares are issuable upon exercise of 75,000 warrants at an initial exercise price of \$27.50 to June 30, 1962, and \$30 thereafter and to June 30, 1967.

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